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**GAS UTILITY DISTRICT NO. 1
OF EAST FELICIANA PARISH
WILSON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/28/10

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Accountants' Review Report	1
BASIC FINANCIAL STATEMENTS	
Fund Financial Statements	
Statement of Net Assets	4
Statement of Revenue, Expenses and Changes in Fund Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	
Index	10
Notes	11
SUPPLEMENTARY INFORMATION	
Schedule of Operating Expenses	18
Statistical Data	19
Schedule of Per Diem Paid to Board Members	20
Comparative Data	21
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	32
Louisiana Attestation Questionnaire.....	25

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board Members of the
Gas Utility District No. 1 of East Feliciana Parish
P. O. Box 39
Wilson, Louisiana 70789

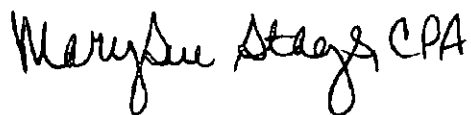
We have reviewed the accompanying basic financial statements of the business-type activities of the Gas Utility District No. 1 of East Feliciana Parish, a component unit of the East Feliciana Parish Police Jury, as of and for the year ended December 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Gas Utility District No. 1 of East Feliciana Parish's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 28, 2010, on the results of our agreed-upon procedures.

The accompanying supplemental information listed in the table of contents under Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in black ink that reads "Mary Sue Stages CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
June 28, 2010

BASIC FINANCIAL STATEMENTS

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

<u>ASSETS</u>	<u>Business-type Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 36,404.78
Accounts receivable, net of allowance for doubtful accounts of \$8,500	40,538.49
Unbilled receivables	8,729.27
Prepaid expenses	<u>2,639.56</u>
Total Current Assets	88,312.10
Restricted Assets:	
Cash and cash equivalents	19,520.00
Capital Assets:	
Land	1,050.00
Building/improvements	19,574.94
Equipment	48,296.04
Gas system	250,941.24
Vehicles	12,366.20
Less: Accumulated depreciation	<u>(298,074.00)</u>
Net Capital Assets	<u>34,154.42</u>
TOTAL ASSETS	<u>141,986.52</u>

Continued

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF NET ASSETS (Continued)
DECEMBER 31, 2009**

<u>LIABILITIES AND NET ASSETS</u>	<u>Business-type Activities</u>
Current Liabilities:	
Payable from current assets:	
Accounts payable	\$ 15,162.50
Payroll withholdings and related payables	<u>1,631.20</u>
Total Current Liabilities (Payable from Current Assets)	16,793.70
Payable from restricted assets:	
Customer deposits	<u>19,520.00</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>19,520.00</u>
Total Current Liabilities/Total Liabilities	36,313.70
Net Assets:	
Invested in capital assets, net of related debt	34,154.42
Restricted for customer deposits	19,520.00
Unrestricted	<u>51,998.40</u>
Total Net Assets	<u>105,672.82</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>141,986.52</u></u>

See Accompanying Notes and Auditors' Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
YEAR ENDED DECEMBER 31, 2009**

<u>OPERATING REVENUES</u>	<u>Business-type Activities</u>
Charges for services:	
Gas sales	\$ 192,713.09
Late/reconnection charges	2,017.07
Miscellaneous refunds/reimbursements	<u>20.00</u>
Total Operating Revenues	194,750.16
 <u>OPERATING EXPENSES</u>	
Administrative	16,305.98
Depreciation	7,602.00
Employee and related expenses	73,612.20
Occupancy	6,809.98
Personal services	<u>87,132.97</u>
Total Operating Expenses	<u>191,463.13</u>
Operating Income	3,287.03
 <u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest earned	460.36
Gain on sale of capital assets	<u>900.00</u>
Total Non-Operating Revenues (Expenses)	<u>1,360.36</u>
Change in Net Assets	4,647.39
Net Assets, beginning	<u>101,025.43</u>
Net Assets, ending	<u><u>105,672.82</u></u>

See Accompanying Notes and Auditors' Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 194,213.83
Cash paid to suppliers for goods/services	(115,301.41)
Cash paid to employees for services	<u>(72,693.00)</u>
Net Cash Provided by Operating Activities	6,219.42
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	460.36
Cash received from sale of assets	<u>900.00</u>
Net Cash Provided by Investing Activities	<u>1,360.36</u>
Net Increase in Cash and Cash Equivalents	7,579.78
Cash and Cash Equivalents, beginning of year	<u>48,345.00</u>
Cash and Cash Equivalents, end of year	<u><u>55,924.78</u></u>

Continued

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED DECEMBER 31, 2009**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 3,287.03
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	7,602.00
(Increase) decrease in assets:	
Accounts receivable	(2,026.33)
Prepaid expenses	(394.56)
Increase (decrease) in liabilities:	
Accounts and other payables	(4,657.50)
Compensated absences payable	919.20
Customer deposits	<u>1,490.00</u>
Net Cash Provided by Operating Activities	<u><u>6,219.84</u></u>
BALANCE SHEET PRESENTATION OF CASH:	
Current Assets:	
Cash and cash equivalents	36,404.78
Restricted Assets:	
Cash and cash equivalents	<u>19,520.00</u>
Cash and Cash Equivalents, end of year	<u><u>55,924.78</u></u>

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	11
1	Summary of Significant Accounting Policies.....	11
2	Cash and Cash Equivalents.....	14
3	Receivables.....	15
4	Capital Assets.....	15
5	Accounts and Other Payables	16
6	Leases.....	16
7	Vacation and Sick Leave	16
8	Other Post-Employment Benefits	16
9	Commitments and Contingencies	16
10	Related Party Transactions	16
11	Litigation and Claims.....	16
12	Subsequent Events	16

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

INTRODUCTION

The Gas Utility District No. 1 of East Feliciana Parish (hereinafter referred to as the District) was incorporated on March 13, 1963, as allowed under the provisions of Louisiana Revised Statute 415 of the Acts of Louisiana of 1960. It is governed by a board of nine members whose appointments are made by the East Feliciana Parish Police Jury. The District was created to provide gas services to the rural residents of the northwestern part of East Feliciana Parish.

The District has two full-time and one part-time employee. It serves an average of 312 customers with over 42 miles of gas distribution lines.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the East Feliciana Parish Police Jury is the financial reporting entity for East Feliciana Parish. The District is considered a component unit of the East Feliciana Parish Police Jury because the Police Jury appoints a voting majority of the District's governing body and its services are rendered within the Police Jury's boundaries. The accompanying financial statements present information only on the fund(s) maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

funds of the District include the following fund types:

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund statements of the District are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the District's gas services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Cash and Cash Equivalents: Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Receivables: Customers are billed monthly for their gas usage, aged by 30 day increments if the full balance isn't paid. An allowance is provided for estimated losses based on management's estimate of unrecoverable customer accounts at year-end.

The District's billing cycle extends into the subsequent year. An estimate for unbilled gas services is calculated at year-end based on the gas billed in the immediate subsequent period and the number of days of gas usage through the last day of the fiscal year. This amount is recorded separately on the accompanying financial statements.

Inventory: Inventory of the District includes various supplies and parts used to maintain its gas distribution system. It is recorded at lower of cost or market utilizing the average cost valuation. Gas in the District's lines is expensed when purchased. The amount remaining in the lines at any given time is not material to the accompanying financial statements and, therefore, not included in inventory.

Prepaid Expenses: Prepaid expenses include payments for insurance coverage with expiration dates extending beyond December 31, 2009, as well as pipeline taxes paid in advance. This amounted to \$1,698.76 and \$940.80, respectively, at December 31, 2009.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: Capital assets are recorded at cost and do not purport to represent replacement or realizable values. The cost of depreciable property is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for renewals and betterments are generally capitalized. When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. Depreciation is computed using the straight-line method of deprecation over the following lives – gas system 10-50 years; furniture 5 – 10 years; equipment 5-10 years; and buildings 5-20 years.

Compensated Absences: Vested or accumulated vacation leave is recorded as both a fund liability and operating expense in the year earned. In accordance with the provisions of Statement of Financial Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits or vacation leave. There were no compensated absences at December 31, 2009.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the resulting non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) of the District are as follows:

Petty cash	\$ 40.50
Demand deposits	36.93
Interest-bearing demand deposits	12,786.45
Money market savings	3,458.95
Time deposits	<u>39,601.95</u>
Total	<u>55,924.78</u>

Of the cash balances included above, \$19,520 is restricted for customer deposits.

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to such risk.

NOTE 3 – RECEIVABLES

The net receivables at December 31, 2009, are as follows:

<u>Class of Receivables</u>	
Trade (including unbilled of \$8,729.27)	\$ 57,767.76
Allowance for bad debts	<u>(8,500.00)</u>
Net	<u>49,267.76</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 1,050.00	\$.00	\$.00	\$ 1,050.00
Capital Assets, being depreciated				
Gas distribution system	250,941.24	.00	.00	250,941.24
Less: accumulated depreciation	<u>220,145.00</u>	<u>5,129.00</u>	<u>.00</u>	<u>225,274.00</u>
Net Distribution System	30,796.24	(5,129.00)	.00	25,667.24
Equipment	48,296.04	.00	.00	48,296.04
Less: accumulated depreciation	<u>48,137.00</u>	<u>.00</u>	<u>.00</u>	<u>48,137.00</u>
Net Machinery & Equipment	159.04	.00	.00	159.04
Vehicles	12,366.20	.00	(18,846.00)	12,366.20
Less: accumulated depreciation	<u>21,628.00</u>	<u>2,473.00</u>	<u>18,846.00</u>	<u>5,255.00</u>
Net Vehicles	9,584.20	(2,473.00)	.00	7,111.20
Building and improvements	19,574.94	.00	.00	19,574.94
Less: accumulated depreciation	<u>19,408.00</u>	<u>.00</u>	<u>.00</u>	<u>19,408.00</u>
Net Building and Improvements	166.94	.00	.00	166.94
Capital Assets, being depreciated, net	<u>40,706.42</u>	<u>(7,602.00)</u>	<u>.00</u>	<u>33,104.42</u>
Capital Assets, net	<u>41,756.42</u>	<u>(7,602.00)</u>	<u>.00</u>	<u>34,154.42</u>

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The payables at December 31, 2009, are as follows:

<u>Class of Payable</u>	
Trade	\$ 15,162.50
Payroll withholdings and related	1,631.20
Customer deposits	<u>19,520.00</u>
Total	<u>36,313.70</u>

NOTE 6 – LEASES

Operating Leases. The District does not have any operating leases.

Capital Leases. The District has no capital leases.

NOTE 7 – VACATION AND SICK LEAVE

The District's employees earn vacation and sick time at a rate of 10 days per year. They may not carry unused leave into the subsequent period, but sick leave may accrue without limitation. Unused sick leave is not paid upon termination.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk: The District sells natural gas to customers in the northwestern part of East Feliciana Parish, Louisiana. Future sales are subject to future demand in that area.

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure.

NOTE 11 – LITIGATION AND CLAIMS

There is no litigation that would require disclosure in the accompanying basic financial statements.

NOTE 12 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these basic financial statements.

SUPPLEMENTARY INFORMATION

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2009**

	<u>Business-Type Activities</u>
<u>ADMINISTRATIVE</u>	
Billing expenses	\$ 1,849.86
Board meetings/travel	6,780.00
Office and supplies	2,490.32
Professional fees	3,245.00
Taxes and licenses	940.80
Uncollectible accounts	<u>1,000.00</u>
Total Administrative	16,305.98
 <u>DEPRECIATION</u>	 7,602.00
 <u>EMPLOYEE AND RELATED EXPENSES</u>	
Health insurance	6,708.36
Payroll taxes	5,086.91
Salaries and wages	60,575.93
Workers' compensation	<u>1,241.00</u>
Total Employee and Related Expenses	73,612.20
 <u>OCCUPANCY</u>	
Insurance	1,979.17
Maintenance	780.00
Telephone	2,588.75
Utilities	<u>1,462.06</u>
Total Occupancy	6,809.98
 <u>PERSONAL SERVICES</u>	
Gas purchases	79,613.59
Maintenance and repairs - vehicles/equipment	4,495.18
Maintenance and repairs - gas system	750.00
Supplies	<u>2,274.20</u>
Total Personal Services	<u>87,132.97</u>
 TOTAL OPERATING EXPENSES	 <u><u>191,463.13</u></u>

See Accountants' Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
STATISTICAL DATA
YEAR ENDED DECEMBER 31, 2009**

Summary of Sales

<u>Month</u>	<u>No. of Customers</u>	<u>Gas Sales in MCFs</u>
January	319	2,240
February	319	1,701
March	315	1,087
April	314	668
May	315	385
June	309	332
July	305	623
August	306	307
September	305	321
October	308	483
November	312	823
December	312	2,333

Average No. of Customers 312

Total MCFs of Gas Sold 11,303

Total Gas Sales \$ 192,713.09

Summary of Residential Billing Rates (Pre MCF)

Availability Charge \$12.50 + Cost of Gas + .675/hundred cubic feet

Summary of Purchases

Total MCFs Purchased 13,241

Total Gas Purchases \$ 79,613.59

Summary of Losses

Total Gas Losses	1,938.00
Losses Accounted For	432.00
Losses Unaccounted For	1,506.00

See Accountants' Report

**GAS UTILITY DISTRICT NO. 1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED DECEMBER 31, 2009**

<u>Board Member</u>	<u>Amount Paid</u>
Judy Brown	\$ 650.00
Jimmy Garig	750.00
Julius Kennerson	750.00
Calvin Matthews	750.00
Charlie Minor	750.00
Leola Moore	750.00
Bobby Ross	930.00
Shirley Sensley	750.00
Eunice Smiley	<u>700.00</u>
Total Per Diem Paid to Governing Members	<u><u>6,780.00</u></u>

See Accountants' Report

**GAS UTILITY DISTRICT NO.1 OF EAST FELICIANA PARISH
WILSON, LOUISIANA
COMPARATIVE DATA
DECEMBER 31, 2009
(Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>SUMMARY OF STATEMENT OF REVENUES</u>					
Operating revenues	\$ 194,750	\$ 221,925	\$ 222,515	\$ 228,142	\$ 251,575
Operating expenses	<u>191,463</u>	<u>229,356</u>	<u>198,035</u>	<u>217,354</u>	<u>272,667</u>
Operating income (loss)	3,287	(7,431)	24,480	10,788	(21,092)
Non-operating revenues (expenses)	<u>1,360</u>	<u>682</u>	<u>546</u>	<u>526</u>	<u>273</u>
Net Income (Loss)	<u>4,647</u>	<u>(6,749)</u>	<u>25,026</u>	<u>11,314</u>	<u>(20,819)</u>
<u>OTHER DATA</u>					
Current assets	88,312	79,801	6,358	81,980	87,194
Average no. of customers	312	313	316	320	336

See Accountants' Report

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board Members of the
Gas Utility District No. 1 of East Feliciana Parish
P. O. Box 390
Wilson, Louisiana 70789

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Gas Utility District No. 1 of East Feliciana Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended December 31, 2009, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures in excess of \$20,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management is not required to adopt an annual budget – it is a proprietary fund.

6. Trace the budget adoption and amendments to the minute book.

N/A

7. Compare the revenues and expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.

N/A

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board president.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

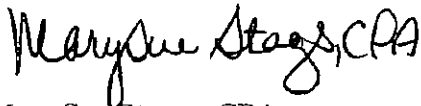
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

A reading of the minutes of the Board for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

The prior year report, dated June 18, 2009, did not include and findings or management comments.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
June 28, 2010

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 9, 2010

Mary Sue Stages, CPA
Baker, La

In connection with your review of our financial statements as of December 31, 2009 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 9, 2010.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42-1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Louisiana Attestation Questionnaire
June 9, 2010

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 41:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the forgoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Bobby J. Row President 6-8-10 Date

Brenda J. Hebert Secretary 6/8/10 Date